

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 349 be amended to read as follows:

- 1 Page 3, line 26, delete "IC 27-7-3.5-15)" and insert
- 2 "**IC 27-7-3.5-16)**".
- 3 Page 3, line 27, delete "IC 27-7-3.5-18)." and insert
- 4 "**IC 27-7-3.5-19).**".
- 5 Page 4, line 30, after "7." insert "**As used in this chapter, "closing**
- 6 **protection letter" means an indemnification of or undertaking to**
- 7 **a party to a real estate transaction by a principal, such as a title**
- 8 **insurance company, setting forth in writing the extent to which the**
- 9 **principal is responsible for intentional misconduct or errors of the**
- 10 **principal's agent in closing the real estate transaction.**
- 11 **Sec. 8.**".
- 12 Page 4, line 34, delete "8." and insert "**9.**".
- 13 Page 4, line 36, delete "9." and insert "**10.**".
- 14 Page 4, line 41, delete "10." and insert "**11.**".
- 15 Page 5, line 5, delete "11." and insert "**12.**".
- 16 Page 5, line 9, delete "12." and insert "**13.**".
- 17 Page 5, line 12, delete "13." and insert "**14.**".
- 18 Page 5, line 23, delete "14." and insert "**15.**".
- 19 Page 5, between lines 29 and 30, begin a new line block indented
- 20 and insert:
- 21 "**(4) Issuance of closing protection letters.**".
- 22 Page 5, line 30, delete "15." and insert "**16.**".
- 23 Page 6, line 1, delete "16." and insert "**17.**".
- 24 Page 6, line 6, delete "17." and insert "**18.**".
- 25 Page 6, line 17, delete "18." and insert "**19.**".

- 1 Page 6, between lines 33 and 34, begin a new line blocked left and
 2 insert:
 3 **"The term includes a title agency."**
 4 Page 6, line 34, delete "19." and insert **"20."**
 5 Page 7, line 24, delete "20." and insert **"21."**
 6 Page 7, line 36, delete "21." and insert **"22."**
 7 Page 7, line 42, delete "22." and insert **"23."**
 8 Page 8, line 8, delete "23." and insert **"24."**
 9 Page 8, line 14, delete "24." and insert **"25."**
 10 Page 8, line 18, delete "25." and insert **"26."**
 11 Page 9, line 10, after "obtained" insert **"an"**.
 12 Page 9, line 11, after "insurance" insert **"policy:**
 13 **(A) that provides coverage for an opinion of title;**
 14 **(B) from an insurer that is acceptable to the title insurer;**
 15 **and**
 16 **(C)".**
 17 Page 9, line 13, delete "with a deductible not greater" and insert **"."**.
 18 Page 9, delete line 14.
 19 Page 9, between lines 22 and 23, begin a new paragraph and insert:
 20 **"(h) To obtain an initial license under this section, a title agency**
 21 **shall comply with the requirements of section 27(a) of this chapter.**
 22 **Sec. 27. (a) To obtain an initial license under this section, a title**
 23 **agency shall:**
 24 **(1) have deposited with the department securities of the type**
 25 **described in IC 27-1-13-3(b) and having at all times a market**
 26 **value of not less than ten thousand dollars (\$10,000); or**
 27 **(2) post a surety bond of not less than ten thousand dollars**
 28 **(\$10,000) payable to the department;**
 29 **to secure the title agency's performance of the title agency's duties**
 30 **and responsibilities under the contract described in section 30 of**
 31 **this chapter and entered into between the title agency and each title**
 32 **insurer for which the title agency is appointed. If a surety bond is**
 33 **generally unavailable, the department may adopt rules under**
 34 **IC 4-22-2 to establish alternative methods by which a title agency**
 35 **may comply with this subsection.**
 36 **(b) The deposit made or bond posted under subsection (a) is for**
 37 **the benefit of a person insured under a title insurance policy and**
 38 **damaged by the title agency's violation of this chapter or of a**
 39 **contractual duty or responsibility described in subsection (a).**
 40 **(c) A title insurer shall not, directly or indirectly on behalf of a**
 41 **title agency, provide a deposit or bond required under subsection**
 42 **(a).**
 43 **(d) A title agency may:**
 44 **(1) exchange or substitute securities:**
 45 **(A) described in IC 27-1-13-3(b); and**
 46 **(B) of like quality and value;**

1 for securities on deposit;
 2 (2) receive interest and other income accruing on securities
 3 deposited; and
 4 (3) at reasonable times, inspect a deposit of securities made;
 5 under subsection (a)(1).

6 (e) If a properly documented claim is timely filed with the
 7 department by a person described in subsection (b), the
 8 department may remit to the person in payment of the claim an
 9 appropriate amount of:

10 (1) a deposit made under subsection (a); or

11 (2) proceeds that are received from the surety.

12 (f) A deposit or bond described in subsection (a) must remain
 13 unimpaired while the title agency continues in business in Indiana
 14 and for one (1) year after termination of all title agency
 15 appointments held by the title agency. If there are no claims
 16 outstanding against the deposit or bond one (1) year after
 17 termination of the appointments, the department shall return the
 18 deposit or bond and any accrued interest to the title agency."

19 Page 9, line 23, delete "26." and insert "28."

20 Page 9, line 24, delete "25" and insert "26".

21 Page 9, line 27, delete "Subject to approval" and insert "A
 22 continuing education course must be approved".

23 Page 9, line 27, delete ", a continuing" and insert ".".

24 Page 9, delete lines 28 through 42.

25 Page 10, line 5, delete "do the following:".

26 Page 10, delete lines 6 through 8.

27 Page 10, line 9, delete "(2) Grant" and insert "grant".

28 Page 10, run in lines 5 through 9.

29 Page 10, line 14, delete "(A)", begin a new line block indented and
 30 insert:

31 "(1)".

32 Page 10, line 14, after ";" insert "or".

33 Page 10, line 15, delete "(B)", begin a new line block indented and
 34 insert:

35 "(2)".

36 Page 10, line 16, delete "; or" and insert ".".

37 Page 10, delete line 17.

38 Page 10, line 22, delete "27." and insert "29."

39 Page 10, line 22, delete "25(f)" and insert "26(f)".

40 Page 11, line 3, after "(c)" insert "The commissioner may adopt
 41 rules under IC 4-22-2 to specify information that must be provided
 42 to evidence sufficiency of a title insurance agent's net worth as
 43 described in subsection (a).

44 (d) Financial information provided to evidence sufficiency of a
 45 title insurance agent's net worth under this section is confidential.
 46 (e)".

- 1 Page 11, line 7, delete "28." and insert "**30.**".
- 2 Page 13, line 34, delete "25" and insert "**26**".
- 3 Page 13, between lines 34 and 35, begin a new paragraph and insert:
- 4 **"(n) A:**
- 5 **(1) title insurer; or**
- 6 **(2) title insurance agent on behalf of a title insurer;**
- 7 **shall issue a title insurance policy not later than sixty (60) days**
- 8 **after all conditions or requirements specified in the title insurance**
- 9 **report have been satisfied. However, if a title insurance policy**
- 10 **cannot be issued within the period set forth in this subsection due**
- 11 **to an act of God or war, the policy must be issued within a**
- 12 **reasonable period determined by the department."**
- 13 Page 13, line 35, delete "29." and insert "**31.**".
- 14 Page 14, between lines 16 and 17, begin a new paragraph and insert:
- 15 **"(c) A title insurer or title insurance agent shall, at the time the**
- 16 **title insurance report is prepared, provide written notice to all**
- 17 **parties that receive the title insurance report that a closing**
- 18 **protection letter may be purchased.**
- 19 **(d) The department shall adopt rules under IC 4-22-2 to specify**
- 20 **the content of each notice required under this section."**
- 21 Page 14, line 17, delete "30." and insert "**32.**".
- 22 Page 14, line 27, delete "31." and insert "**33.**".
- 23 Page 14, line 41, delete "," and insert "**and the title insurance agent**
- 24 **or title agency is convicted of an offense under IC 35-43-9-7,".**
- 25 Page 15, line 1, after "agency" insert ".".
- 26 Page 15, delete line 2.
- 27 Page 15, delete lines 8 through 16, begin a new line blocked left and
- 28 insert:
- 29 **"However, a title insurer's liability under this subsection is limited**
- 30 **to the amount payable under a title insurance policy issued or**
- 31 **committed, or a closing protection letter issued, in connection with**
- 32 **the real estate closing or escrow in relation to which the**
- 33 **defalcation, conversion, or misappropriation is committed, plus**
- 34 **reasonable attorney's fees."**
- 35 Page 15, line 26, delete "32." and insert "**34.**".
- 36 Page 16, line 6, delete "33." and insert "**35.**".
- 37 Page 16, line 38, delete "34." and insert "**36.**".

- 1 Page 16, line 40, delete "35." and insert "**37.**".
- 2 Page 17, line 19, delete "36." and insert "**38.**".
(Reference is to ESB 349 as printed February 17, 2006.)

Representative Burton